

Message Text

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ACTION NEA-10

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FM AMEMBASSY CAIRO

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E.O. 11652: N/A

TAGS: ECRE PINT EG

SUBJ: CABINET APPROVES HOUSING MEASURES

1. ALL CAIRO DAILIES SEPTEMBER 13 HEADLINE
THREE-HOUR CABINET MEETING PREVIOUS DAY CHAIRED
BY PM SALIM WHICH WAS DEVOTED LARGELY TO
CONSIDERATIONS OF HOUSING PROBLEMS. CABINET
REPORTEDLY AGREED HOUSING BILL DRAFTED BY
MINHOUSING AND RECONSTRUCTION OSMAN WILL BE
PROMULGATED AS MILITARY ORDER BY PM IN HIS
CAPACITY AS DEPUTY MILITARY GOVERNOR "WITHIN
TWO DAYS".

2. MAJOR PROVISIONS OF MILITARY ORDER ARE BANNING
OF KEY MONEY, LIMITING LANDLORDS TO RENTAL OF ONLY
ONE FURNISHED APARTMENT , AND SETTING GUIDELINES
ON SALE PRICE OF APARTMENTS. ORDER PROVIDES STIFF
PENALTIES (THREE-YEARS PRISION TERMS AND FINE DOUBLE
AMOUNT ACCEPTED) FOR LANDLORDS RECEIVING KEY MONEY
AND AUTHORIZES POLICE AND PROSECUTOR GENERAL TO
TAKE LEGAL STEPS AGAINST PERSONS RENTING OUT
FURNISHED APARTMENTS ILLEGALLY. ADDED TAXES ON
RENTAL INCOME ALSO REPORTEDLY ARE UNDER STUDY.

3. COMMENTS: MEASURE IS CHARACTERIZED BY PRESS
AS "REVOLUTIONARY" MEANS TO CONFRONT HOUSING CRISIS.

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SIGNIFICANT POINT WITH REGARD TO LIMITATION ON

NUMBER OF FURNISHED APARTMENTS PERMITTED IS THAT LANDLORDS HENCEFORTH UNDER TERMS OF MILITARY ORDER WILL BE UNABLE TO RESTRICT PERIOD OF TENANCY LEASE TO MORE THAN ONE APARTMENT; OCCUPANTS OF OTHER APARTMENTS OWNED BY SAME LANDLORD THUS WILL BENEFIT FROM EXISTING PROVISIONS OF EGYPTIAN LAW PROVIDING GREATER SECURITY OF TENANCY. KEY MONEY QUESTIONS AND INFLATED SALE PRICES RESULT FROM INFLUX OF LEBANESE, GULF AND OTHER MONIED FOREIGN VISITORS AND BUSINESSMEN DURING PAST TWO YEARS. LIMITED FACILITIES IN CAIRO HAVE BROUGHT ABOUT SELLERS' MARKET IN BETTER CLASS OF HOUSING AVAILABLE.

4. DEARTH OF HOUSING IS SUBJECT OF PUBLIC COMPLAINT SECOND ONLY TO FOOD COSTS AND DISTRUBUTION. MIDDLE, ESPECIALLY SALARIED, CLASSES FEEL HOUSING PINCH SEVERELY AND WILL BE PLEASED THAT GOVERNMENT HAS AT LAST TAKEN DECISIVE ACTION. LOWER INCOME GROUPS, HOWEVER, HAVE BEEN AFFECTED PRIMARILY BY LACK OF CONSTRUCTION IN RECENT YEARS, ALONG WITH RISING URBAN POPULATION, NOT PRESSURES ON HOUSING ADDRESSED BY CABINET MEASURE (SEE CAIRO 10787).

5. GOE HAS NOT USED ITS MILITARY POWERS IN THIS WAY SINCE LAST FEBRUARY , WHEN MININT RAIDED NOTORIOUSLY DISHONEST RETAIL STREET IN CAIRO (CAIRO 1717). IMPLEMENTATION OF NEW DECREE SHOULD NOT BE HAMPERED BY LACK OF INFORMATION, SINCE INFORMERS CAN BE EXPECTED TO CARRY TALES OF INFRINGEMENTS TO MININT WITH DISPATCH. THAT GOE HAS ACTED SO DECISIVELY AFTER MONTHS OF PRESS OUTCRY AGAINST RENT SITUATION IS PROBABLY RELATED TO FACT THAT PARLIAMENTARY ELECTIONS ARE NOW ONLY FIVE WEEKS AWAY.
MATTHEWS

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